

SUMMARY

Synopsis of Bill

Senate Bill 735 increases the percentage of state liquor excise tax revenue distributed to the Local DWI Grant Fund administered by the Local Government Division of the Department of Finance and Administration. The current percentage is 34.57% of net liquor excise tax revenue. For fiscal year 2004 and subsequent years, the percent distributed would increase to 35.36%.

An additional \$300,000 in FY 2004 and in subsequent years would be appropriated from the local DWI Grant Fund for distribution to McKinley County for funding of alcohol detoxification and treatment facilities according to Section 2, subsection C, number 6. This increases the total distribution for Section 2, C to \$3.1 million.

FISCAL IMPLICATIONS

SB 735 would adversely affect the general fund by \$305.0. TRD notes that the relatively small amount of excess money, \$5.0 in FY 04 and subsequent years, would be distributed to all counties by the formula distribution specified in Section 11-6A-6 NMSA 1978 (Section 3 of the bill).

OTHER SUBSTANTIVE ISSUES

TRD has provided the following legislative history:

Legislative History

- The DWI Grant Fund was originally created by Laws 1993, Chapter 65, Section 3 (Chapter 11, Article 6A NMSA 1978) as part of a major liquor tax increase and DWI prevention effort. From 1993 through 1997 the fund was financed by state General Fund appropriation. The 1993 legislation appropriated \$5.5 million for the 1993-94 fiscal year to the newly created Local DWI Grant Fund for use in grants to local communities to fund innovative programs and services dealing with DWI, alcoholism and alcohol abuse. Appropriations to the fund for fiscal years 1994 through 1997 were roughly \$5 million per year. Also in fiscal year 1993-94, an additional \$5.1 million was appropriated to the newly created DWI Program Fund administered by DFA for use in new state agency programs meeting the guidelines of the Alcoholism and Alcohol Abuse Prevention, Screening and Treatment Act. The Community DWI Fund was appropriated \$9.2 million, replacing the old earmarked tax to the Community Alcoholism Treatment and Detoxification Fund.
- 1997 legislation (Laws 1997, Chapter 182 – 1997 HB-107) directed 27.2% (\$9.7 million) of state Liquor Excise Tax revenue from the State General Fund to the Local DWI Grant Fund, and created a new quarterly distribution by formula to counties amounting to available money in the fund less \$2 million reserved for local government grants.
- 2000 legislation (Laws 2000, Chapter 83 – 2000 SWMC Substitute for SB-96) increased the DWI Grant Fund distribution to 32.7% (an additional \$2.0 million) of liquor excise tax revenue for fiscal year 2002 only, and appropriated the additional

amount to Bernalillo County (\$1.7 million) and San Juan County (\$0.3 million) to fund alcohol detoxification and treatment facilities.

- 2001 legislation (Laws 2001, Chapter 112 – HB-103) permanently directed 34.57% of state liquor excise tax revenue to the Local DWI Grant Fund, beginning in fiscal year 2002. An additional \$0.5 million was appropriated from the DWI Grant Fund for distribution to Santa Fe County (\$0.3 million) and Rio Arriba County (\$0.2 million) to fund alcohol detoxification and treatment facilities.
- The one-time distributions to Bernalillo County (\$1.7 million) and San Juan County (\$0.3 million) formerly specified for fiscal year 2002 to fund alcohol detoxification and treatment facilities was made permanent.

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